

# State of South Dakota

SEVENTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 1997

436A0732

## HOUSE BILL NO. 1238

Introduced by: Representatives DeMersseman, Apa, Diedrich, Duniphan, Napoli, and Pederson  
(Gordon) and Senators Shoener and Whiting

1 FOR AN ACT ENTITLED, An Act to allow a video lottery machine operator to be owned by  
2 certain publicly traded companies.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 42-7A-43 be amended to read as follows:

5 42-7A-43. Any person licensed as a video lottery machine manufacturer, distributor,  
6 operator, or lottery retailer shall submit to a background investigation. This includes each partner  
7 of a partnership and each director and officer and all stockholders of five percent or more in a  
8 parent or subsidiary corporation of a video lottery machine manufacturer, distributor, operator,  
9 or lottery retailer. A video lottery machine manufacturer or distributor shall meet the same  
10 requirements of subdivisions 42-7A-13(1) to (4), inclusive, and § 42-7A-14. A video lottery  
11 machine operator shall meet the same requirements of §§ 42-7A-13 and 42-7A-14, in addition  
12 to being a resident of the State of South Dakota and, if a partnership or corporation, the majority  
13 of ownership interest shall be held by residents of the state or by a public company traded on any  
14 market regulated or recognized by the United States Securities and Exchange Commission. A  
15 lottery retailer shall meet the same requirements of §§ 42-7A-13 and 42-7A-14. Any applicant

1 for any license under this chapter has the burden of proving his or her qualifications to the  
2 satisfaction of the commission and executive director. The commission may adopt rules pursuant  
3 to chapter 1-26 to establish additional requirements to preserve the integrity and security of the  
4 lottery.